

percent reduction. This revised amount is effective at the end of the month in which OPM receives the request to cancel the previous election. There is no refund of premiums.

(2) If an individual files a waiver of insurance, the coverage stops without a 31-day extension of coverage or conversion right. Coverage ceases at the end of the month in which OPM received the waiver.

(c) Unless he/she chooses to terminate his/her insurance, an employee who has elected a partial Living Benefit must choose the no reduction election under paragraph (a)(4) of this section. The employee cannot later change to the 75 percent reduction.

(d) If an employee has assigned his or her insurance, he/she cannot cancel an election under paragraph (a)(3) or (a)(4) of this section. Only the assignee(s) may cancel this election. Exception: If the employee elected a partial Living Benefit before assigning the remainder of his or her insurance, the assignee(s) cannot cancel the election under paragraph (a)(4) of this section.

(e)(1) For purposes of this part, a judge who retires under one of the following provisions is considered to be an employee after retirement:

- (i) 28 U.S.C. 371(a) or (b);
- (ii) 28 U.S.C. 372(a);
- (iii) 28 U.S.C. 377;
- (iv) 26 U.S.C. 7447;
- (v) 11 DC Code 776;
- (vi) Section 7447 of the Internal Revenue Code;

(2) The insurance of a judge described in paragraph (e)(1) of this section does not reduce after age 65. Basic insurance continues without interruption or reduction. *Exception:* If the insured is a judge eligible for compensation, and chooses to receive compensation instead of annuity, he or she must select an option described in paragraph (a) of this section.

[75 FR 60583, Oct. 1, 2010]

§ 870.704 Amount of Option A.

(a) The amount of Option A coverage an annuitant or compensationner can continue is \$10,000.

(b) An annuitant's or compensationner's Option A coverage reduces by 2 percent of the original amount each month up to a maximum

reduction of 75 percent. This reduction starts at the beginning of the 2nd month after the date the insurance would otherwise have stopped or the beginning of the 2nd month after the date of the insured's 65th birthday, whichever is later.

(c) Paragraph (b) of this section does not apply to a judge who retires under one of the provisions listed in § 870.703(e)(1). For purposes of this part, such a judge is considered to be an employee after retirement, and Option A insurance continues without interruption or reduction. *Exception:* If the judge is eligible for compensation and chooses to receive compensation instead of annuity, paragraph (b) of this section applies.

[75 FR 60583, Oct. 1, 2010]

§ 870.705 Amount and election of Option B and Option C.

(a) The number of multiples of Option B and Option C coverage an annuitant or compensationner can continue is the highest number of multiples in force during the applicable period of service required to continue Option B and Option C.

(b)(1)(i) At the time an employee retires or becomes insured as a compensationner, he or she must elect the number of allowable multiples he or she wishes to continue during retirement or while receiving compensation.

(ii) An employee who elects to continue fewer multiples than the number for which he or she is eligible is considered to have cancelled the multiples that are not continued.

(iii) An employee separating for retirement and an employee becoming insured as a compensationner on or after April 24, 1999, must choose the level of post-age-65 reduction he or she wants. There are two choices: Full Reduction and No Reduction. The election may be made only by the employee and must be made in the manner that OPM designates. The employee may make different elections for Option B and for Option C. He or she may choose Full Reduction for some multiples of an Option and No Reduction for other multiples of the same Option. Failure to make an election for Option B or for Option C will be considered to be an